

DEPARTMENT OF BENEFIT PAYMENTS

744 P Street
Sacramento, CA 95814



September 27, 1974

ALL-COUNTY LETTER NO. 74-188

TO: ALL-COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP - REPORT ON QUALITY CONTROL CASE REVIEW SCHEDULES -
FORM FNS-246

REFERENCE:

The Department of Benefit Payments, Program Information Bureau, recently completed the federally-required semiannual statistical report on California Food Stamp Quality Control, covering sample review period July through December 1973.

In summary, the data collected from the Quality Control reviews of active cases indicated statewide average error rates of 17.6 percent in eligibility determinations and 33.4 percent in basis of coupon issuances.

Data collected from the review of negative case actions indicated a 4.1 percent statewide average error rate in agency denial and discontinuance actions.

The case data statistical analysis indicated that the preponderance of eligibility and basis of issuance errors were confined to the following problem areas:

ELIGIBILITY ERRORS

Eighty percent of the eligibility errors were related to household income factors and work registration requirements (50 percent income - 30 percent work registration).

Fifty-eight percent of the income errors affecting eligibility were attributed to recipients' failure in meeting the reporting requirements. Forty-two percent were attributed mainly to county failure to take indicated action and to correctly apply manual policy.

Ninety-two percent of the work registration errors that affected household eligibility were attributed mainly to county failure to take indicated action.

OBsolete

GEN 654 (2/74)

Superseded by

ACL

76-27

Issued

2-13-76

COUPON BASIS OF ISSUANCE ERRORS

Ninety-eight percent of the errors in coupon basis of issuance were attributed to overcharges and undercharges in purchase requirements. A nearly equal proportion of agency and recipient failures contributed to these errors.

Failure to correctly apply manual policies and to take indicated actions were the predominant type of county errors, particularly with regard to household income and income deductible expenses.

Failure to report interim changes in income and to provide correct and complete information on shelter costs and medical expenses were the predominant type of recipient errors.

SAMPLE VALIDITY AND RELIABILITY

We note with considerable concern that the 751 county completed active case reviews represented only fifty-eight percent of the selected active case sample. This would have the effect of reducing the statistical reliability and validity of data collected, with no assurance that the conclusions drawn from the sample can apply to the total universe.

To prevent recurrences of the above-mentioned deficiencies and to assist counties in strengthening their Quality Control systems, joint DBP/FNS training sessions were conducted for county personnel during July 1974. Also, an updating of the Food Stamp Quality Control handbook is in process of development. In the meantime, the following policy clarifications are provided:

SELECTION OF REVIEW SAMPLES FROM THE NEGATIVE UNIVERSE

The list of negative case actions to be sampled for quality control review each month includes:

1. Certifications denied upon receipt of an identifiable application (one which contains a legible name and address) because the household failed to meet eligibility requirements
2. Subsequent certifications denied because the household failed to meet eligibility requirements
3. Participations terminated or discontinued by county action because the household no longer remains eligible

The following actions will not be included as negative case actions and all such cases should be purged from the negative universe before selecting the negative review sample.

1. Closures due to the death of a one-person household
2. Closures due to the household moving from the county or state

3. Closures due to a normal expiration of a certification period and the household fails to return for subsequent certification
4. Closures due to refusal of a household to pay a fraud claim
5. Closures due to refusal of a household to cooperate with the quality control review
6. Voluntary withdrawals

FNS-246 FORM ENTRIES (Quality Control Review Schedule)

ITEM 6, Review Date

The review date of the sample month for active cases is either the first day of the sample month or the date that a new case was certified for that month, whichever is later. For example, a case drawn for the sample month of May 1974, shows that the May certification was made March 11, 1974, (for period March through May) and was recertified on May 10, 1974, (for a new period June through August). The review date will be shown as May 1, 1974. The correct information to be tested will be for what actual circumstances existed during the month of May 1974. In summary, the sequence will be:

1. Test the appropriateness and mathematical accuracy of the certification worker's actions of March 11, 1974;
2. Check the entire certification period (March through May) for errors by either the certification worker or the recipient that would have affected the household's eligibility or coupon basis of issuance in the review month of May, and
3. Test what was projected for May 1974 against what actually happened.

ITEM D - Household Size

Enter the household size as determined by the Quality Control reviewer in verification of eligibility and basis of issuance for the sample review month.

ITEM H - Correctness of Certification Period

In situations where the review was not completed due to one or more reasons listed under Item 1, the information entered in Item H is obtained from the case record data.

ITEM M - Civil Rights Review

Section II is to be completed for all households for which a field investigation is made. If a field investigation is not made and the information is available in the case file, circle the appropriate code to indicate the race or ethnic grouping of the head of the household. If in such instance, the information is not available in the case file, enter a check mark by "Section II" to indicate that the case record has been reviewed.

ITEMS N THROUGH V, Analysis of Case Errors

Since the Quality Control case review of active cases can be completed only after the month in question has passed, the Quality Control reviewer has facts available which were not available to the certification worker when the month's or certification period's anticipated situation was being established. The FNS-246 review schedule would improperly reflect a substantial number of errors if the Quality Control reviewer indiscriminately applies current available facts to case situations where differences have developed because of interim changes in the household's circumstances which could not have been anticipated at the time of certification.

In order to clarify the review process, it is essential that changes be accounted for in the following manner:

The household's income must be verified for the entire sample month. It is the household's responsibility to report any interim changes in its financial circumstances. The household's failure to do so would be so recorded on the Review Form FNS-245 (Household Data Sheet). However, this would not be an error in the basis of issuance or eligibility for the sample month. No error would be reflected on the Form FNS-246 (Q.C. Review Schedule). Changes reported by the recipient should have been properly processed by the certifying agency. If not, this failure will be recorded as agency error on the Review Form FNS-245. Again, there is no error in the sample month's basis of issuance or eligibility to be reflected on the Form FNS-246. Errors of this type would, of course, be reported by the Quality Control reviewer to the appropriate agency staff through regular channels.

Income received on other than a monthly basis should be converted as equitably as possible to a monthly figure to determine eligibility and basis of issuance. For instance, income received weekly should be converted to a monthly basis by multiplying the amount by 4.33. Although the converted figure may not correspond exactly to the income actually received by the household during the particular review month, it does represent a valid basis for certification provided it is reflective of the total income available to the household over the course of the certification period.

The Quality Control reviewer also has an advantage over the certification worker in establishing proper expense deductions. The month has passed. The Quality Control reviewer is to establish if deductions claimed were actually paid and that changes are properly reported and handled by the certification office. For cases in which the certification period was more than thirty days, the Quality Control reviewer must also determine if the proper amounts of deductions were assigned to the sample month. Two examples may help clarify this point:

1. A household receives its utility bill every other month. A ninety-day certification period has been assigned. The sample month drawn is the month the utility bill is not received. The certification worker assigned a \$20 deduction. The Quality Control worker verifies that the \$40 utility bill was paid the previous month. The deduction has been properly handled and no error is recorded.

2. At the time of certification, applicant has a medical bill of \$45 which is expected to be paid over the next ninety days and a ninety-day certification is assigned. At the time of the review, it is determined that the circumstances are such that it was paid with a single check. The certification worker only allowed \$15 during the month but had also allowed \$15 in each of the other two months of the certification period. The assignment was proper and no error would be recorded.

The same logic applies to other factors of eligibility. Was the certification correct on the first day of the sample month? Had changes been reported? Have changes been properly processed at the certification office so that necessary changes were affected prior to issuance on the following month? If so, no error was made. If a change occurred during the sample month which was not properly handled and a discrepancy has occurred, it should be recorded on Form FNS-245 but not on FNS-246 as an error in eligibility or the basis of issuance for the sample month.

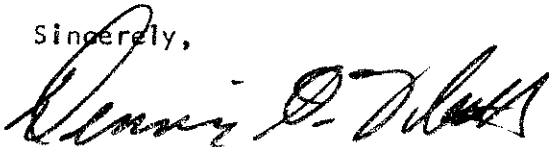
Income from self-employment or from farm operations is income which is expected to be received during the yearly certification period.

The Quality Control worker will, in many cases, have the advantage of several months of actual facts to help make a prediction of income to be averaged for the certification period. The reviewer must use the available data to project the truest possible picture of available income, as the certification worker attempted to do initially. This means that the Quality Control reviewer must return to the certification date as a starting point and project or estimate the expected income for the certification period, using any actual facts which have occurred up to the time of and including the sample month in order to estimate income for the remainder of the certification period. If the reviewer, using actual facts where possible, arrives at an income within the \$10 per month variance allowed without changing the basis of issuance, the certification was correct and should be recorded as such.

Finally, the Quality Control System attempts to determine if the household was properly certified during the sample month, while recognizing the difficulties involved in changes in anticipated circumstances. The results of the review procedure should provide adequate information so that corrective action can be directed at the real problems.

Thank you for your continued cooperation in this area. Please direct any questions to Richard J. Havnen, Chief, or Charles Teal, Analyst, Food Stamp Management Bureau, (916) 445-6907.

Sincerely,



DENNIS O. FLATT
Deputy Director

cc: USDA, FNS
CWDA